

CUSHING, MORRIS, ARMBRUSTER & JONES, LLP

ATTORNEYS AT LAW

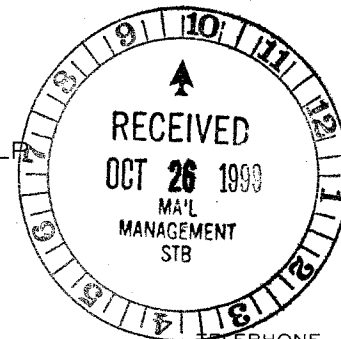
2110 PEACHTREE CENTER INTERNATIONAL TOWER

229 PEACHTREE STREET, N.E.

ATLANTA, GEORGIA 30303

WRITER'S DIRECT DIAL NUMBER

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October 25, 1999

VIA FEDERAL EXPRESS

Secretary
Surface Transportation Board
1925 K Street, N.W., Room 715
Washington, D.C. 20423-0001
Attention: Recordation Unit

RECORDATION NO.

FILED

OCT 28 '99

3-35 PM

Re: Railcar, Ltd. / Canadian National 70 50'6", 100-ton boxcars

Dear Secretary:

On behalf of Railcar, Ltd., I am submitting for recording an original and three counterparts of a primary document, not previously recorded, entitled "Memorandum of Lease" dated as of June 1, 1998. Also enclosed are a check for \$26 payable to "Surface Transportation Board" and two copies of this letter of transmittal.

The names and addresses of the parties to the document are as follows:

Railcar, Ltd. (Lessor)
1819 Peachtree Road, N.E., Suite 455
Atlanta, Georgia 30309

Progress Rail Services Corporation d/b/a Progress Rail Canada (Lessee)
1250 Rene Levesque Boulevard West, Suite 2200
Montreal, Quebec
Canada H3B 4W8
Attention: Chief Financial Officer

The equipment covered by the document is seventy (70) 50'6", 100 ton, plate F, all steel boxcars bearing the reporting marks and numbers CNA 406200 - 406269 inclusive.

A short summary of the document to appear in the index is as follows: "Lease between Railcar, Ltd., 1819 Peachtree Road, N.E., Suite 455, Atlanta, Georgia 30309-1847, as lessor, and Progress Rail Services Corporation d/b/a Progress Rail Canada, 1250 Rene Levesque Boulevard West, Suite 2200, Montreal, Quebec, Canada H3B 4W8, Attn: Chief Financial Officer, as lessee, dated as of June 1, 1998, and covering seventy (70) 50'6", 100 ton, plate F, all steel boxcars bearing the reporting marks and numbers CNA 406200 - 406269 inclusive."

CUSHING, MORRIS, ARMBRUSTER & JONES, LLP

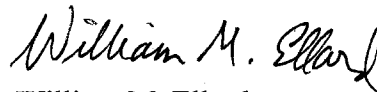
Secretary, Surface Transportation Board

October 25, 1999

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Once the document has been recorded, please return to me (at the address on the letterhead above) the stamped original and any extra counterparts not needed by the STB, together with the fee receipt, the letter from the STB acknowledging the filing, and the two copies of this letter of transmittal.

Very truly yours,



William M. Ellard

WME/lf
Enclosures

RECORDATION NO.

FILED

22497

MEMORANDUM OF LEASE

OCT 28 '99

3-35 PM

1. Pursuant to the Lease Agreement dated as of June 1, 1998 (the "Lease Agreement"), between Railcar, Ltd. ("LTD"), as lessor, and Progress Rail Services Corporation d/b/a Progress Rail Canada ("PR"), as lessee, LTD has leased to PR seventy (70) 50'6", 100 ton, plate F, all steel boxcars bearing the reporting marks and numbers CNA 406200 - 406269 inclusive (the "Cars"). The above-referenced lease of the Cars is referred to hereinafter as the "Lease." (The Lease is a sublease: LTD has leased the Cars from ATEL Leasing Corporation pursuant to the Variable Rate Lease Agreement RAIL2 and Schedule 1 thereto, dated November 25, 1998, between ATEL Leasing Corporation and LTD, a memorandum of which lease has previously been recorded. Moreover, PR intends to further sublease the Cars to Canadian National Railway Company, a memorandum of which lease shall be separately recorded.)

2. The addresses of the parties are as follows:

Railcar, Ltd. (Lessor)
1819 Peachtree Road, N.E., Suite 455
Atlanta, Georgia 30309-1847

Progress Rail Services Corporation d/b/a Progress Rail Canada (Lessee)
1250 Rene Levesque Boulevard West, Suite 2200
Montreal, Quebec
Canada H3B 4W8
Attention: Chief Financial Officer

3. The term of the Lease has already commenced and is scheduled to end on October 31, 2003, subject to (i) an option to terminate the Lease on October 31, 2001, and (ii) an option to extend the term for one period of three years.

4. The terms and provisions of the Lease are more particularly set forth in the above-referenced Lease Agreement, which is hereby incorporated by reference.

5. The parties intend the Lease and the transactions contemplated thereby to create a true lease. If it should nonetheless be determined that the transaction is a sale, then Lessee shall be deemed to have granted the lessor a security interest in the Cars (to secure the full payment and performance of all of Lessee's obligations under the Lease), and the lessor shall be entitled to all rights and remedies of a secured party under all applicable laws, including the Uniform Commercial Code.

6. This Memorandum may be signed in counterpart or duplicate copies, and any signed counterpart or duplicate copy shall be equivalent to a signed original for all purposes.

[Execution on next page; remainder of this page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused this Memorandum to be executed
as of June 1, 1998.

RAILCAR, LTD.

By: [Signature]
Name: Eugene N. Martini
Title: Executive Vice President

State of Georgia County of Fulton

On April 29, 1999, before me personally appeared Eugene N. Martini,
to me personally known, who being by me duly sworn says that he is Executive Vice President
of Railcar, Ltd., and that he executed the foregoing instrument on behalf of said corporation by
authority of its Board of Directors, and he acknowledged that the execution of the foregoing
instrument was the free act and deed of said corporation.

[Signature]
Notary Public
My commission expires:

[NOTARIAL SEAL] Notary Public, Coweta County, Georgia
My Commission Expires March 30, 1999

[Execution on next page; remainder of this page intentionally left blank]

PROGRESS RAIL SERVICES CORPORATION
d/b/a Progress Rail Canada

By: [Signature]
Name: JACKIE NESMITH
Title: SR. VICE PRESIDENT

Province of Quebec, District of Montreal

On April 23, 1999, before me personally appeared JACKIE NESMITH, to me personally known, who being by me duly sworn says that he is Senior Vice President of Progress Rail Services Corporation d/b/a Progress Rail Canada, and that he executed the foregoing instrument on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

[Signature]
Notary Public

Notary Public

My commission expires: unlimited time

[NOTARIAL SEAL]

